AO 120 (Rev. 3/04)

TO:	Mail Stop 8 Director of the U.S. Patent and Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450	REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK

In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been filed in the U.S. District Court Western Dist., Austin Div. on the following ☑ Patents or ☐ Trademarks:

DOCKET NO. 1:09-cv-126 SS	DATE FILED 2/20/2009	U.S. DISTRICT COURT Western Dist., Austin Div.
PLAINTIFF HawgLite, L.L.C.		DEFENDANT Joseph DiCarlo

	PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1	see attached		
2	7,021,784		
3			
4			
5			

In the above—entitled case, the following patent(s)/ trademark(s) have been included:

DATE INCLUDED	INCLUDED BY ☐ Amendment ☐ Answer ☐ Cross Bill ☐ Other Pleading	
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1		
2		
3		
4		
5		

In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT
See attached Order & Judgment

CLERK	(BY) DEPUTY CLERK	DATE
WILLIAM G. PUTNICKI	Mary Romero	4/12/10

Copy 1—Upon initiation of action, mail this copy to Director Copy 3—Upon termination of action, mail this copy to Director
Copy 2—Upon filing document adding patent(s), mail this copy to Director Copy 4—Case file copy

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

HAWGLITE, L.,L.C.,

Plaintiff,

-vs-

Case No. A-09-CA-126-SS

JOSEPH DICARLO,

Defendant.

FINAL JUDGMENT

BE IT REMEMBERED that because no controverted claim remains unresolved in this lawsuit, and because this Court has previously entered a summary judgment of non-infringement, the plaintiff Hawglite, LLC is entitled to entry of a final judgment in this action. Accordingly, the Court enters the following:

IT IS ORDERED, ADJUDGED, and DECREED that the plaintiff Hawglite, LLC's Po' Nock product does not infringe any claim of United States Patent No. 7,021,784.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that because the plaintiff was successful on its non-infringement claim, it is the prevailing party in this action and is entitled to an award of its costs under Federal Rule of Civil Procedure 54(d). The Court finds the plaintiff's reasonable costs in this action to be **$363.16** (THREE HUNDRED AND SIXTY-THREE DOLLARS AND SIXTEEN CENTS), and this amount is hereby taxed to the defendant Joseph DiCarlo, for which let execution issue.

SIGNED this the 9th day of April 2010.

Sam Sparks

SAM SPARKS
UNITED STATES DISTRICT JUDGE

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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

HAWGLITE, L.L.C.,
Plaintiff,

-vs- **Case No. A-09-CA-126-SS**

JOSEPH DICARLO,
Defendant.

ORDER

BE IT REMEMBERED on this day the Court reviewed the file in the above-styled cause, and specifically Plaintiff Hawglite, LLC ("Hawglite")'s Motion for Award of Costs and Attorneys' Fees, for Entry of Final Judgment, and for Attachment [#18], Hawglite's motion to supplement the foregoing motion [#23], Defendant Joseph DiCarlo ("DiCarlo")'s response [#23], and Hawglite's reply [#26]; and DiCarlo's Motion for Award of Expenses due to Hawglite's Failure to Accept an Offer of Judgment [#24, physically contained in #23], and Hawglite's response in opposition thereto [#25]. Having considered the foregoing motions, responses, and replies, the Court finds as an initial matter that—in order to expand the record as fully as possible—Hawglite's motion to supplement its Motion for Award of Costs and Attorneys' Fees [#23] should be GRANTED, and Document No. 23 is hereby considered a supplement to Document No. 18. Thereafter, the Court has considered the aforementioned documents on their merits, as well as the applicable law and the case file as a whole, and enters the following opinion and order.

After reading through the various motions, responses, and replies mentioned above, as well as the exhibits attached to those documents—many of which are copies of emails between counsel for the parties that are full (on both sides) of grandstanding and heated rhetoric—the Court finds it

appropriate to warn counsel that the tone and temperature of their filings needs to cool. The pleadings recently filed by both sides are so saturated with accusations and expressions of outrage and indignation that they are almost incomprehensible. Both attorneys in this case appear to believe they and their client are blameless paragons of virtue, whereas the opposing counsel and his client are unmitigated scoundrels. Regardless of which (if either) is right, this Court is quite capable of making decisions without being bombarded with insults about the opposing side, which are more appropriate to playground dialogue than professional advocacy.

That said, the Court turns to the merits of the pending motions. A quick background is necessary to put them in context. Both Hawglite and DiCarlo sell an archery product which they refer to as a "lighted archery nock." On January 28, 2009, an attorney representing DiCarlo sent a letter to Hawglite asserting that Hawglite's product—the "Po' Nock"—infringed DiCarlo's patent Number 7021784 (the "'784 patent"). *See* Pl.'s Mot. [#18] at Garmon Decl. Figure 4 (copy of the letter). The letter stated "[i]t is obvious" that Hawglite had copied DiCarlo's process, and demanded Hawglite "immediately cease from making any sales of any nature of the Po' Nock." *Id.* The letter also demanded Hawglite remove the Po' Nock from shelves, discontinue sales and marketing of the product, and remove the product from its website immediately. *Id.* DiCarlo's letter threatened extensive discovery in the event of litigation, but concluded, "We would rather have this matter resolved informally and hope that you do not force us into a Court situation." *Id.*

Hawglite, however, did not shrink from a "Court situation"—instead of responding to the letter, Hawglite filed this lawsuit on February 20, 2009, requesting a declaratory judgment of non-infringement and seeking damages for DiCarlo's conduct. *See* Compl. [#1]. In April 2009, DiCarlo answered, writing he was "without sufficient information to admit or deny" whether the Po' Nock

violated the '784 patent, but that he had a good faith belief at the time the demand letter was sent that it was infringing. Answ. [#3] at ¶ 27.

Three months later, DiCarlo and his counsel were presented by Hawglite with an actual sample of the Po' Nock. It is undisputed this was the first time they had personally examined the product, although it was available for sale for less than $20.00 on Hawglite's website. Shortly thereafter, on June 8, 2009, DiCarlo's counsel, Kent Rowland, acknowledged in an email to Hawglite's counsel that the Po' Nock does ***not*** infringe the '784 patent, as it lacks an anchor pin (or its equivalent), which is required by the claims of the '784 patent. *See* Pl.'s Mot. at Ex. C-5. Thus, on June 26, 2009, Hawglite filed a motion for partial summary judgment of non-infringement. The Court held a status and scheduling conference on July 9, 2009, during which DiCarlo's attorney represented he did not intend to oppose the motion. Based on his representation, the Court entered an order granting the motion for partial summary judgment and declaring Hawglite, LLC's Po' Nock product "does not infringe the defendant DiCarlo's U.S. patent 7,021,784." Jul. 16, 2009 Order [#11].

Following the Court's entry of summary judgment on the infringement issue, Hawglite filed an Amended Complaint, requesting a final declaration of non-infringement and an award of costs and attorneys' fees. Am. Compl. [#16]. Because Hawglite did not file a cross-claim, no claims are still pending in this lawsuit, and the motion for an award of costs and attorneys' fees is all that remains to be decided.

Analysis

II. Attorneys' Fees

Both Hawglite and DiCarlo have requested an award of attorneys' fees. The Court will begin with DiCarlo's request, which is easily disposed of. DiCarlo requests attorneys' fees pursuant to 35

U.S.C. § 285. Section 285 authorizes the Court in "exceptional cases" to award "reasonable attorney fees to the prevailing party" in a patent infringement suit. Generally, "plaintiffs may be considered 'prevailing parties' for attorney's fees purposes if they succeed on any significant issue in litigation which achieves some of the benefit the parties sought in bringing the suit." *Texas State Teachers Ass'n v. Garland Independent School Dist.*, 489 U.S. 782, 789 (1989). In this case, DiCarlo did not bring any claims, and did not achieve any measure of success in this lawsuit. The one issue before the Court—whether the Po' Nock infringed the '784 patent—was decided adversely to DiCarlo. Therefore, DiCarlo's request for attorneys' fees under § 285 is DENIED.

For its part, Hawglite seeks an award of $35,912.50 in attorneys' fees under 35 U.S.C. § 285, 28 U.S.C. § 1927, the inherent authority of the Court, and Texas Civil Practices and Remedies Code § 37.009. As an initial matter, the Court does not intend to award Hawglite fees under § 1927 or the Court's inherent authority. Section 1927 allows a party to recover costs from opposing counsel where the attorney's reckless or bad faith actions have unreasonably and vexatiously complicated or elongated the case. 28 U.S.C. § 1927. Shifting reasonable fees under § 1927 requires "evidence of bad faith, improper motive, or reckless disregard of the duty owed to the court" by the attorney in question. *Edwards v. Gen. Motors Corp.*, 153 F.3d 242, 246 (5th Cir.1998). Likewise, the Court may award attorneys' fees under its inherent power to punish for contempt when a party has acted in bad faith, vexatiously, wantonly, or oppressively. Hawglite, despite the indignant accusations throughout its motion, has not submitted any evidence that would indicate DiCarlo or his counsel fit the foregoing description.[1]

[1]At most, DiCarlo and his counsel wrote a poorly researched and overly aggressive cease-and-desist letter to Hawglite, and then failed to state unequivocally in the Answer that there was no infringement on the part of Hawglite, although they apparently suspected there was not infringement at the time (after inspecting the product, they admitted Hawglite's product was not infringing). This

Attorneys' fees under 35 U.S.C. § 285 are likewise unavailable to Hawglite. As stated above, § 285 requires a case be deemed "exceptional" by the Court. A case may be deemed exceptional when there has been some material inappropriate conduct related to the matter in litigation, such as willful infringement, fraud or inequitable conduct in procuring the patent, misconduct during litigation, vexatious or unjustified litigation, conduct that violates Rule 11, or like infractions. *Brooks Furniture Mfg., Inc. v. Dutailier Intern.*, Inc., 393 F.3d 1378, 1381 (Fed. Cir. 2005). For instance, in *Aptix Corp. v. Quickturn Design Sys., Inc.*, the Federal Circuit upheld the granting of fees under § 285 based on misconduct during the litigation, where the non-prevailing party had engaged in "a premeditated and sustained campaign of lies and forgery," in which it had destroyed evidence and forged volumes of engineering notebooks. 269 F.3d 1369, 1373-75. Here, Hawglite's principal complaint seems to be that DiCarlo fired off an un-researched allegation (before the case was filed) and was slow to admit his mistake. This behavior simply does not rise to the level of making the present case "exceptional." Therefore, Hawglite is not entitled to attorneys' fees under § 285.

Finally, Hawglite is not entitled to attorneys' fees under Texas Civil Practices and Remedies Code § 37.009 (part of the Texas Declaratory Judgment Act (the "TDJA")), which empowers a court to "award costs and reasonable and necessary attorney's fees as are equitable and just." TEX. CIV. PRAC. & REM. CODE § 37.009 (Vernon 2004). Importantly, "[t]he TDJA does not of itself authorize an award of attorneys' fees because 'it functions solely as a procedural mechanism' and therefore does not apply in diversity cases or in federal question cases." *Estate of Merkel v. United States*, 2009 WL 2002902 at *3 (N.D. Tex. 2009) (citing *Utica Lloyd's of Tex. v. Mitchell*, 138 F.3d 208, 210 (5th Cir. 1998); *Bank One Tex. NA v. Patterson*, 1997 WL 450116, at *1 (5th Cir.1997) (per curiam)

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conduct—while perhaps frustrating—is not clear evidence of bad faith.

(unpublished opinion) (holding the TDJA functions solely as a procedural mechanism and Texas procedure does not govern federal question cases in federal courts). Because the TDJA is a procedural act that does not apply in this federal court, the applicable procedural law is the United States Declaratory Judgment Act (the "DJA"), 28 U.S.C. §§ 2201-2202. And although a party may recover attorneys' fees under the DJA where "controlling substantive law" permits such a recovery, the TDJA "is neither substantive nor controlling." *Self-Insurance Inst. of Am., Inc. v. Korioth*, 53 F.3d 694, 697 (5th Cir.1995). Therefore, Hawglite is not entitled to attorneys' fees under the TDJA.[2]

In accordance with the foregoing, Hawglite's motion for attorneys' fees is DENIED, as it is not entitled to attorneys' fees under any of the claimed statutes or authorities.[3]

II. Costs

Not surprisingly, both parties also seek an award of their costs. DiCarlo seeks award of his costs under Federal Rule of Civil Procedure 68, which provides that if a defendant serves an offer to allow judgment on specific terms on the plaintiff, and that offer is not accepted by the plaintiff, the plaintiff will be liable for all costs incurred after the offer was made "[i]f the judgment that the [plaintiff] finally obtains is not more favorable than the accepted offer." FED. R. CIV. P. 68. The problems with DiCarlo's request are numerous: first, it is undisputed he never "served" a formal offer of judgment on Hawglite, but merely sent it via email to Hawglite's counsel (as a "pdf" attachment).

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[2]Furthermore, even if the TDJA were the applicable procedural law, an award of attorneys' fees under § 37.009 is within the trial court's broad discretion. In this case, the Court finds attorneys' fees are not "equitable and just," and therefore that an award fees would be improper under the statute. *See Everest Explor., Inc. v. URI, Inc.*, 131 S.W.3d 138, 144 (Tex.App.–San Antonio 2004, no pet.) (finding the trial court has broad discretion to determine whether to grant costs and attorneys' fees under the TDJA).

[3]In the alternative, the Court is tempted to award both sides $50,000 in attorneys' fees, but refrains from doing so to avoid the headache of what would inevitably ensue: endless disputes between the parties regarding collection of the amount owed.

See Pl.'s Resp. at Ex. 1 (copy of email). Because Hawglite's counsel has not consented to service by electronic means in this action, an email was not proper "service" under Rule 5. Furthermore, even aside from this procedural error, the offer of judgment made by DiCarlo was decidedly less favorable to Hawglite than the judgment of non-infringement it ultimately obtained through summary judgment, and therefore does not fit the parameters of Rule 68. The offer of judgment proposed a more limited declaration of non-infringement, prohibited any award of costs to Hawglite, and required an express finding—which would have been adverse and preclusive to Hawglite—that the '784 patent is valid and enforceable. *See* Def.'s Mot. at ex. 2 (Offer of Judgment). Thus, Hawglite has obtained a more favorable result through summary judgment than it stood to gain by DiCarlo's offer. For the foregoing reasons, Rule 68 does not apply in this case and DiCarlo's request for an award of costs is emphatically DENIED.

Hawglite, however, is entitled to its costs as the prevailing party. According to Rule 54(d) of the Federal Rules of Civil Procedure, costs shall be allowed as of course to the prevailing party in a civil action. A party does not have to prevail on all issues to be entitled to an award of costs. *United States v. Mitchell*, 580 F.2d 789, 793 (5th Cir. 1978). Hawglite seeks $363.16 for its costs incurred during the course of this litigation, which represents the sum of its filing fees and its postage costs for serving the complaint. DiCarlo does not dispute the reasonableness of the costs. Therefore, the Court orders that $363.16 shall be taxed as costs against DiCarlo.

III. Attachment

As for Hawglite's request for an order of attachment, it is DENIED. The request is absurd, although perhaps no more so than DiCarlo's counsel's veiled threats—repeated in several correspondences—that DiCarlo is "judgment proof." *See* Schwenker Decl. at ¶ 12, Pl.'s Mot. at Exs.

C-7-, C-10, and C-13. If the parties want to engage in a spitting contest, they will have to move to another federal court.

IV. Entry of a Final Judgment

Because there remain no other pending claims, Hawglite is entitled to entry of a final judgment of non-infringement. The Court will enter a final judgment simultaneously with this order.

V. Conclusion

In accordance with the foregoing,

IT IS ORDERED that Plaintiff Hawglite, LLC's Motion for Award of Costs and Attorneys' Fees, for Entry of Final Judgment, and for Attachment [#18] is GRANTED in part and DENIED in part, as indicated in the foregoing order: the motion is granted with respect to the award of costs, the request to exceed page limitations, and the request for entry of final judgment, and denied in all other respects.

IT IS FURTHER ORDERED that the Clerk SHALL assess costs against Defendant Joseph DiCarlo in accordance with this order in the total amount of $363.16 (THREE HUNDRED SIXTY-THREE DOLLARS AND SIXTEEN CENTS).

IT IS FURTHER ORDERED that Plaintiff Hawglite, LLC's motion to supplement its Motion for Award of Costs and Attorneys' Fees [#23] is GRANTED.

IT IS FINALLY ORDERED that Defendant Joseph DiCarlo's Motion for Award of Expenses [#24, physically contained in #23] is DENIED in full.

SIGNED this the 9th day of April 2010.

Sam Sparks

SAM SPARKS
UNITED STATES DISTRICT JUDGE